

Message Text

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13

ACTION EUR-25

INFO OCT-01 ISO-00 SCI-06 SCEM-02 INT-08 TRSE-00 SS-20

AID-20 CIAE-00 COME-00 EB-11 FRB-02 INR-10 NSAE-00

RSC-01 XMB-07 OPIC-12 SPC-03 CIEP-02 LAB-06 SIL-01

OMB-01 H-03 DRC-01 NSC-10 /152 W

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R 072126Z DEC 73

FM AMCONSUL CALGARY

TO SECSTATE WASHDC 871

INFO AMEMBASSY OTTAWA

UNCLAS CALGARY 423

E.O. 11652: N/A

TAGS: ENRG, CA

SUBJ: ALBERTA ENERGY SESSION: MARKETING LEGISLATION

INTRODUCED AND SYNCRUDE PROJECT CLEARED

REF: CALGARY'S 410 AND 416

1. LEGISLATION PROVIDING FOR A PROVINCIAL MARKETING COMMISSION WITH POWER TO SET PRICES FOR ALBERTA'S CROWN LEASE PETROEUM AND TO WITHHOLD SUCH PETROEUM FROM EXPORT IF A REASONABLE PRICE CANNOT BE OBTAINED HAS BEEN INTRODUCED IN THE LEGISLATIVE ASSEMBLY. THE BILL ALSO STATES THAT ALBERTA WILL COLLECT ITS ROYALTY FROM CROWN LEASE PRODUCTION BY CLAIMING A PERCENTAGE OF OIL PRODUCED. THE COMMISSION IS TO CONSIST OF THREE MEMBER AND PROBABLY WILL BE LOCATED IN CALGARY.

2. PERHAPS THE MOST INTERESTING CLAUSE IN THE PETROEUM MARKETING ACT GIVES THE COMMISSION THE RIGHT TO SET BOTH A DOMESTIC AND EXPORT PRICE FOR ALL ALBERTA PETROEUM, INCLUDING THAT OBTAINED FROM FREEHOLD LEASES, AND WHICH CONCEIVABLY COULD BE TESTED IN THE COURTS AS AN INFRINGEMENT ON FEDERAL GOVERNMENT JURISDICTION.

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3. PROVINCIAL MINISTER OF MINES BILL DICKIE SAID THE BILL WILL

TAKE CONTROL OF OIL PRICING OUT OF THE HANDS OF THE LARGE OIL COMPANIES AND PUT IT IN THE HANDS OF A GOVERNMENT CONTROLLED AGENCY. HE EXPRESSED HOPE THAT THE BILL WILL BE PROCLAIMED "BY JANUARY OR FEBRUARY."

4. IN ANOTHER ANNOUNCEMENT MADE A SPECIAL ENERGY SESSION OF LEGISLATURE, PROVINCIAL TREASURER GORDON MINIELY STATED THAT ALBERTA WILL ENTER INTO THE SYNCRUDE TAR SANDS PROJECT AS A VIRTUAL PARTNER WITH THAT CONSORTIUM, INSTEAD OF AN OVERSEER CHARGING CERTAIN ROYALTY. THIS IS TO BE ACHIEVED BY THE PROVINCE GETTING 50 PERCENT OF THE PROFITS, BUT WITH THE TERM "ROYALTY" FOR THE 50 PERCENT SHARE NO LONGER APPLYING, THEREBY PERMITTING THE PROJECT TO PROCEED IN COMPLIANCE WITH FEDERAL TAX LAWS. APPARENTLY THIS WAS THE ONLY REMAINING OBSTACLE IN THE WAY OF THE PROJECT, AND SYNCRUDE NOW PROPOSES TO PROCEED WITH PREPARATION OF ITS ATHABASCA SITE.
HALL

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Message Attributes

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